

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8120

BILL NUMBER: SB 533

DATE PREPARED: Feb 23, 2001

BILL AMENDED: Feb 22, 2001

SUBJECT: Indiana Medical, Nursing, and Dentistry Grants.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill changes the name of the Indiana Medical and Nursing Grant Fund to the Indiana Health Care Professional Recruitment and Retention Fund. It requires the State Department of Health to adopt the federal designations of the counties, cities, towns, census tracts, and townships in Indiana that are underserved by specific types of health care professionals. The bill also changes the fund to provide loan repayment for student loans incurred by health care professionals to encourage the full-time delivery of health care in underserved areas. It also adds grants from public or private sources as resources included in the fund. This bill modifies certain eligibility requirements that a health care professional must meet in order to be eligible for the repayment of student loans. The bill also repeals provisions concerning medical entities receiving grants from the fund.

Effective Date: June 30, 2001; July 1, 2001.

Explanation of State Expenditures: (Revised) The Indiana State Department of Health (ISDH) will be required to produce a report specifying by health profession the areas in the state, as defined by the bill, that are underserved or considered a shortage area. Currently, the ISDH creates an overall report with health professionals. There may be increased printing costs associated with this requirement as the size of the report could increase if areas are determined by each health profession. The ISDH administers the current Medical and Nursing Grant Fund (IMNGF). Under the bill, the ISDH would be charged with administering the new Indiana Health Care Professional Recruitment and Retention Fund (IHCPRRF).

Currently, the costs to administer the IMNGF are paid from the IMNGF and cannot exceed \$30,000 per year. Money in the IMNGF does not revert to the State General Fund at the end of a State fiscal year. Both of these requirements would apply to the IHCPRRF.

The IHCPRRF would have the following sources of funding:

- (1) Appropriations by the General Assembly.
- (2) Repayments by loan recipients from the Indiana Medical and Nursing Distribution Fund, which was repealed in July of 1987.
- (3) Gifts to the fund.
- (4) Grants from public or private sources.

Under the bill, on June 30, 2001, any remaining funds in the IMNGF would be transferred to the IHCPRRF on July 1, 2001.

The FY 2001 appropriation to the existing IMNGF is \$40,000. As of January 18, 2001, the ISDH reports a balance of \$125,220.39 in the IMNGF with \$30,000 in outstanding grants to be paid. Four grants have been entered into by the ISDH within the current year.

The bill places the following restrictions on eligibility for the loan repayment amounts that the IHCPRRF would award to health care professionals:

- (1) The health care professional must hold an unlimited license to practice a health care profession in Indiana that has been declared by the Department to be eligible for loan repayment,
- (2) The health care professional must have completed at least one year of health care professional practice in a shortage area,
- (3) The health care professional must have worked at least one year at a community or migrant health center or maternal and child health clinic in a shortage area, and
- (4) The health care profession must be declared eligible by the ISDH for loan repayment.

The impact of this provision currently indeterminable. The impact is dependent on the number of health care professions eligible for loan repayment by the ISDH, and the amount of health care professionals that practice in a shortage area or treat persons from an area that meet the requirements of the bill. If additional funds are required to implement the provisions of the bill, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions, plus any gifts or private grants secured.

Background: A shortage area is currently defined as a county, city, town, census tract, or township designated by the Indiana State Department of Health as underserved by physicians or nurses.

The Department reports the following counties as Health Professional Shortage Areas (HPSA): Benton, Blackford, Brown, Crawford, Daviess, Franklin, Greene, Jennings, LaGrange, Newton, Ohio, Owen, Pike, Randolph, Spencer, Starke, Steuben, Sullivan, Switzerland, Warren, and White.

Partial areas of the following counties are also considered as an HPSA: Harrison, Lake, Marion, Ripley, and St. Joseph.

The Department lists the following counties as Medically Underserved Areas (MUA): Brown, Clay, Crawford, Daviess, Franklin, Ohio, Pike, Scott, Spencer, Starke, Sullivan, and Switzerland.

Partial areas of the following counties are also considered as an MUA: Allen, Cass, Clark, Clinton, Decatur, Delaware, Elkhart, Fayette, Floyd, Gibson, Grant, Greene, Howard, Huntington, Jefferson, Jennings, Johnson, Knox, Lake, Madison, Marion, Martin, Miami, Orange, Owen, Parke, Perry, Posey, Ripley, St. Joseph, Tippecanoe, Union, Vanderburgh, Vigo, Washington, and White.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: Marilyn Cage, Indiana State Department of Health, (317) 233-2170.